



INTERNATIONAL MASS RETAIL ASSOCIATION

The world's leading alliance of retailers and suppliers.

Robert Verdisco, President

June 25, 2001

Whitney Rick
Chief, Research and Promotion Staff
Cotton Program
Agricultural Marketing Service
U.S. Department of Agriculture
Stop 0224
1400 Independence Ave., SW
Room 2641-S South Building
Washington, DC 20250-0224



Re: Docket [CN-01-002], page 16440 *Federal Register*. Request for Comments to be used in a Review of the 1990 Amendments to the Cotton Research and Promotion Act.

Dear Mr. Rick:

I am writing on behalf of the International Mass Retail Association (IMRA) in reference to the above referenced *Federal Register* notice regarding a referendum on the Cotton Research and Promotion Act Amendments of 1990 (Amendments).

By way of background, the International Mass Retail Association is the world's leading alliance of retailers and their product and service suppliers committed to bringing price-competitive value to the world's consumers. IMRA represents many of the best-known and most successful retailers in the world, who operate thousands of stores worldwide. IMRA equally values among its members hundreds of the world's top-tier product and service suppliers, working with their retailer partners to further the growth of the mass retail industry.

Many of IMRA's members sell cotton garments and home fashions that are subject in one way or another to the assessments required under the Amendments. IMRA's members also include many cotton importers who directly pay assessments as a result of the Amendments.

As a general matter, IMRA's members believe it is well past the time for a referendum on the Amendments. Indeed, we believe that the government should require regular reviews of this program, as it does other such promotional programs. The fact that the program has been in place for a number of years does not necessarily mean that it should continue forever or be exempted from periodic reviews.

Indeed, the government should be cognizant that the fees imposed on finished products under this program ultimately fall on American consumers and taxpayers—the customers of IMRA's members. A review of the program will help to determine if it is

managed properly, fully represents all of the stakeholders and is necessary. IMRA believes period reviews of such programs that affect consumer prices is a matter of good government.

More to the point, the current rules for forcing a referendum on this program are skewed, and without the intervention of the Department of Agriculture a review of this program is not likely ever to happen.

Under these rules, a call for a referendum must come from 10 percent or more of the number of cotton producers and importers voting in the most recent referendum, but not more than 20 percent of the requests may be from producers in one state or from *importers*. These rules, in effect, treat importers as being equivalent to a single state (one of fifty) even though importers account for about one-third of the assessments collected. The hurdle created by this rule ensures that importers cannot ever force a reexamination of the Amendments even though importers pay a significant portion of the fee. Of equal importance, we believe, is the fact that consumers ultimately bear the cost of this program and the government ought to insist upon reviews to protect these important stakeholders.

This is the single most important reason why IMRA believes the Secretary of Agriculture should mandate a referendum on the Amendments at least every five years.

If you have any questions about IMRA or its position on this issue, please contact Jonathan Gold, Director of International Trade Policy at (703) 841-2300.

Sincerely,

A handwritten signature in cursive script that reads "Robert J. Verdisco". The signature is written in dark ink and is positioned above the printed name and title.

Robert J. Verdisco
President